

# D\_E\_PARTMENT

Sarah Palin, Governor Emil Notti, Commissioner Anthony A. Price, Chairman

Regulatory Commission of Alaska

#### MEMORANDUM

To: Representative Ralph Samuels, Chair

Legislative Budget and Audit Committee

Date: January 16, 2008

From: Ann Wilde

Commission Section Manager

Phone: 907-263-2163

Email:

Through: Anthony A. Price, Chairman

Regulatory Commission of Alaska

Subject: Quarterly report for October 1-December 31, 2007

Under AS 42.05.175(g), the Commission is required to file quarterly reports with the Legislative Budget and Audit Committee identifying all extensions ordered under AS 42.05.175(f).

At the request of all parties, the Commission extended the statutory timeline in the following dockets:

Order U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126 (1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1),Order Granting in Part Joint Motion for Expedited Consideration, Accepting Stipulation to Amend Joint Petition to Adopt the Access Charge Filing Schedule, Granting in Part Joint Petition to Adopt the Access Charge Filing Schedule, Addressing Statutory Timeline, Designating Commission Panel, and Appointing Administrative Law Judge, dated October 12, 2007.

Order U-07-108(4), Order Granting Extension of Statutory Timeline, Granting Petitions to Intervene, and Establishing Hearing Date, dated October 29, 2007.

Order U-06-134(18), Order Accepting Stipulation, Finding Moot Motion to Reschedule Hearings, Acknowledging Withdrawal of Petition of Reconsideration, Scheduling Hearings, and Extending Statutory Deadline, dated November 2, 2007.

Order U-07-97(2), Order Establishing Procedural Schedule and Granting Request for Extension of Timeline for Commission Decision, dated November 9, 2007.

U-07-59(3), Order Granting Motion for Expedited Consideration, Granting Motion for Extension of Time for Compliance Filings and Extending Statutory Timeline, dated November 28, 2007.

U-07-37(3)/U-07-120(2), Order Affirming Electronic Ruling, Granting Extension of Statutory Timeline, and Establishing Procedural Schedule, dated December 4, 2007.

After receiving public comment, the Commission clarified the timeline in the following order:

R-05-11(10), Order Inviting Comment, Correcting Order R-05-11(3), and Clarifying Timeline for Completion of Proceeding, dated November 30, 2007.

**Enclosures: Identified Orders** 

## Regulatory Commission of Alaska 701 West Eighth Avenue, Suite 300 Anchorage, Alaska 99501 (907) 276-6222; TTY (907) 276-4533

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#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

3 4 5 6	Before Commissioners:	Anthony A. Price, Chairman Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson				
7	In the Matter of the Consideration of the					
8	Revenue Requirement of the ALASKA EXCHANGE CARRIERS ASSOCIATION, INC.,	U-07-121				
9	to be Included in Intrastate Interexchange Access Charges	ORDER NO. 1				
10		<b>\</b>				
11	In the Matter of the Consideration of the Access Charge Revenue Requirement of ACS OF THE	U-07-122				
12 13	NORTHLAND, INC. d/b/a ALASKA COMMUNICATIONS SYSTEMS, ACS LOCAL SERVICE and ACS	ORDER NO. 1				
14		) )				
15	In the Matter of the Consideration of the Access Charge Revenue Requirement of ADAK	) U-07-123 )				
16	EAGLE ENTERPRISE LLC d/b/a ADAK TELEPHONE UTILITY	) ORDER NO. 1				
17		) )				
18	In the Matter of Consideration of the Access Charge Revenue Requirement of BRISTOL	) U-07-124 )				
19	BAY TELEPHONE COÓPERATIVE, INC.	ORDER NO. 1				
20	In the Matter of Consideration of the Access	) U-07-125				
21	Charge Revenue Requirement of BUSH-TELL INCORPORATED	ORDER NO. 1				
22	In the Metter of the Consideration of the A	)				
23	In the Matter of the Consideration of the Access Charge Revenue Requirement of the COPPER	) U-07-126				
24	VALLEY TELEPHONE COOPERATIVE, INC.	ORDER NO. 1				

 $\begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007)\\ \text{Page 1 of 11} \end{array}$ 

1	In the Matter of the Consideration of Access Charge Requirement of CORDOVA	) U-07-127
3	TELEPHONE COOPERATIVE, INC.	) ORDER NO. 1 )
4	In the Matter of the Consideration of the Access	) U-07-128
5	Charge Revenue Requirement of CITY OF KETCHIKAN	) ORDER NO. 1
6		) )
7	In the Matter of the Consideration of the Access Charge Revenue Requirement of NUSHAGAK	U-07-129
8	ELECTRIC & TELEPHONE COOPERATIVE, INC.	ORDER NO. 1
9		) )
10	In the Matter of Consideration of the Access () Charge Revenue Requirement of OTZ	U-07-130
11	TELEPHONE COOPERATIVE, INC.	ORDER NO. 1
12	In the Matter of Consideration of the Access	U-07-131
13	Charge Revenue Requirement of SUMMIT () TELEPHONE & TELEGRAPH COMPANY OF	ORDER NO. 1
14	ALASKA, INC. d/b/a SUMMIT TELEPHONE ) COMPANY, INC.	
15	}	
16	In the Matter of Consideration of the Access ) Charge Revenue Requirement of YUKON )	U-07-132
17	TELĚPHONE COMPANÝ, INC. )	ORDER NO. 1

ORDER GRANTING IN PART JOINT MOTION FOR EXPEDITED
CONSIDERATION, ACCEPTING STIPULATION TO AMEND JOINT PETITION
TO ADOPT THE ACCESS CHARGE FILING SCHEDULE, GRANTING IN
PART JOINT PETITION TO ADOPT THE ACCESS CHARGE FILING
SCHEDULE, ADDRESSING STATUTORY TIMELINE, DESIGNATING
COMMISSION PANEL, AND APPOINTING ADMINISTRATIVE LAW JUDGE

BY THE COMMISSION:

#### Summary

We grant in part the joint motion for expedited consideration of the joint petition to adopt the access charge filing schedule. We accept the parties' stipulation to amend their joint petition to adopt the access charge filing schedule and grant in part U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) Page 2 of 11

the joint petition to adopt the access charge filing schedule. We adopt the parties' proposed procedural schedule, as amended, for resolution of 2008 access charge filings and affirm the electronic ruling setting the initial filing date for AECA and the local exchange carriers (LECs). We accept the parties' stipulation to extend the statutory timeline. The Chairman designates the commission panel and docket manager and appoints an administrative law judge. We direct the administrative law judge to address the parties' request for orders governing discovery and confidential discovery material.

#### Background

The parties<sup>1</sup> filed a joint petition to adopt a 2008 access charge filing schedule.<sup>2</sup> The filing proposed a procedural schedule for resolution of access charge revenue requirements for calendar year 2008 and consented to extend the statutory timeline related to the proceedings.<sup>3</sup> Additionally, the parties requested an order addressing initial disclosures, informal discovery, and confidential discovery material. Further, the parties requested that we waive regulations and provisions of the Alaska Intrastate Interexchange Access Charge Manual (AIIACM) that conflict with the parties'

¹The parties consist of the Alaska Exchange Carriers' Association, Inc. (AECA); ACS of the Northland, Inc. d/b/a Alaska Communications Systems, ACS Local Service and ACS (ACS-N); Adak Eagle Enterprise LLC d/b/a Adak Telephone Utility (AEE); Bristol Bay Telephone Cooperative, Inc. (BBTC); Bush-Tell Incorporated (Bush-Tell); Copper Valley Telephone Cooperative, Inc. (CVTC); Cordova Telephone Cooperative, Inc. (CTCI); City of Ketchikan (Ketchikan); Nushagak Electric & Telephone Cooperative, Inc. (NETCI); OTZ Telephone Cooperative, Inc. (OTZ); Summit Telephone & Telegraph Company of Alaska, Inc. d/b/a Summit Telephone Company, Inc. (Summit); Yukon Telephone Company, Inc. (YTC) (collectively, the LECs); GCI Communication Corp. d/b/a General Communication Inc. and GCI (GCI); and Alascom, Inc. d/b/a AT&T Alascom (AT&T Alascom) (collectively, the parties).

<sup>&</sup>lt;sup>2</sup>Joint Petition to Adopt the Access Charge Filing Schedule, filed September 19, 2007 (Joint Petition).

<sup>&</sup>lt;sup>3</sup>Joint Petition at 6; Stipulation to Amend Joint Petition to Adopt the Access Charge Filing Schedule, filed September 25, 2007 (Stipulation to Amend).

 $<sup>\</sup>begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) \\ \text{Page 3 of 11} \end{array}$ 

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proposed procedural schedule.<sup>4</sup> The parties sought expedited consideration of our decision regarding the petition.<sup>5</sup> A stipulation to amend the procedural schedule and extend the statutory timeline was filed to adjust the proposed demand estimate hearing date.<sup>6</sup> We ordered AECA and the LECs to file the initial information required by the proposed procedural schedule.<sup>7</sup>

#### Discussion

Intrastate interexchange access charges must be determined, assessed, and collected, and revenues must be distributed in accordance with our rules incorporated in the AllACM.<sup>8</sup> These dockets address access charge revenue requirements for calendar year 2008.

U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007)
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<sup>&</sup>lt;sup>4</sup>Joint Petition at 6-7.

<sup>&</sup>lt;sup>5</sup>Joint Motion for Expedited Consideration of Joint Petition to Adopt the Access Charge Filing Schedule, filed September 19, 2007; Affidavit of Robin O. Brena in Support of Joint Motion for Expedited Consideration of Joint Petition to Adopt the Access Charge Filing Schedule, filed September 19, 2007 (Motion for Expedited Consideration).

<sup>&</sup>lt;sup>6</sup>Stipulation to Amend.

<sup>&</sup>lt;sup>7</sup>The parties were notified electronically on September 27, 2007.

<sup>&</sup>lt;sup>8</sup>In Docket R-06-02, titled *In the Matter of the Consideration of Access Charge Policies in Competitive Markets*, we are investigating whether to enforce, amend, or continue waiver of various provisions of the AIIACM concerning access charge policies in local competitive markets. Some of the local exchange carriers associated with the 2008 pending access charge proceedings could be affected by the outcome of that docket given our past certification of a competitor in their area. 3 AAC 48.440.

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#### Motion for Expedited Consideration

A party may seek expedited consideration of a filing.<sup>9</sup> The request must include an affidavit or other evidence presenting the facts justifying expedited consideration.<sup>10</sup>

The parties asserted that expedited consideration of the joint petition to adopt an access charge filing schedule was justified based on the short time between the filing of the joint petition and the first filing date proposed in the procedural schedule. We find that the parties have presented sufficient justification for an expedited ruling and grant in part the joint motion for expedited consideration. While we did not issue a decision on the parties' motion on the exact dates requested, we did address the initial filing date in an electronic ruling and now issue this decision in a shorter time than generally required.

#### Procedural Schedule

The parties proposed an access charge filing and hearing schedule. We adopt the parties' proposed schedule as amended by stipulation and set out the procedural schedule in the ordering paragraphs below. We affirm the electronic ruling setting an October 1, 2007, deadline for initial filings from AECA and the party LECs. In conjunction with the procedural schedule, we accept the parties' representation that they agree that the access charges resulting from these proceedings will be effective April 1, 2008, and that they waive any argument to the contrary.

 $\begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) \\ Page 5 of 11 \end{array}$ 

<sup>&</sup>lt;sup>9</sup>3 AAC 48.091(g).

<sup>&</sup>lt;sup>10</sup>3 AAC 48.091(g)(3).

<sup>&</sup>lt;sup>11</sup>Motion for Expedited Consideration at 4-5.

<sup>&</sup>lt;sup>12</sup>Joint Petition at 4-5; Stipulation to Amend at 3.

#### Extend Statutory Timeline by Consent of Parties

The commission may extend the statutory timeline applicable to a docket by consent of all parties of record. The parties consented to an extension of the statutory timeline in this proceeding. Accordingly, we extend the statutory timeline for these dockets until June 9, 2008.

#### **Commission Panel**

The Chairman designates Commissioners Kate Giard, Dave Harbour, and himself as the commission panel<sup>15</sup> and further designates himself as the commission docket manager.

#### Administrative Law Judge

Under AS 42.04.070(b), the Chairman appoints Administrative Law Judge John P. Wood to facilitate conduct of these dockets. The administrative law judge will issue procedural orders in these dockets including discovery orders, unless the commission docket manager determines that a particular procedural order should be

 $\begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) \\ \text{Page 6 of 11} \end{array}$ 

<sup>&</sup>lt;sup>13</sup>AS 42.05.175(f).

<sup>&</sup>lt;sup>14</sup>Stipulation to Amend at 6.

<sup>&</sup>lt;sup>15</sup>Under AS 42.04.080, the Chairman designates a commission panel to hear, or, if a hearing is not required, to otherwise consider and decide docketed matters.

issued by the commission panel.<sup>16</sup> Orders issued by the administrative law judge will be considered orders of the commission for purposes of petitions for reconsideration under AS 42.05.171.<sup>17</sup>

#### Other Procedural Matters

The parties requested that we issue an order governing initial disclosures, informal discovery, and confidential discovery material. We grant this request and direct the administrative law judge to issue orders regarding discovery and confidential discovery material.

The parties also request that we "waive those provisions of the regulations and the Alaska Intrastate Interexchange Access Charge Manual and any legal argument or position that may be in conflict with the proposed schedule and review process." The requested relief lacks sufficient specificity on which to base a ruling. Accordingly, the request is denied.

In this decision we have adopted the parties' proposed procedural schedule and accepted the parties' stipulation as to the effective dates of the access charge rates and extension of the statutory timeline. If the parties believe a further ruling is necessary, they shall state with specificity the regulation, provision of the

<sup>&</sup>lt;sup>16</sup>The commission docket manager, after consultation with other members of the panel, may delegate to the administrative law judge whatever authority to issue procedural orders he or she considers necessary or advisable in this docket.

<sup>&</sup>lt;sup>17</sup>AS 42.05.171 states in pertinent part:

A party may file a petition for reconsideration of, or an administrative appeal of, a decision by a hearing examiner, an arbitrator, a mediator, or an administrative law judge that has been approved by the commission, or a decision of a hearing panel.

<sup>&</sup>lt;sup>18</sup>Joint Petition at 7.

 $<sup>\</sup>begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) \\ Page 7 of 11 \end{array}$ 

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AllACM, and the legal argument or position that is in conflict with the procedural schedule and review process and shall state the legal basis for their request for waiver.

#### **ORDER**

#### THE COMMISSION THEREFORE ORDERS:

- 1. The Joint Motion for Expedited Consideration of Joint Petition to Adopt the Access Charge Filing Schedule, filed on September 19, 2007, is granted in part.
- 2. The electronic ruling setting the initial filing date for Alaska Exchange Carriers' Association, Inc.; ACS of the Northland, Inc. d/b/a Alaska Communications Systems, ACS Local Service and ACS; Adak Eagle Enterprise LLC d/b/a Adak Telephone Utility; Bristol Bay Telephone Cooperative, Inc.; Bush-Tell Incorporated; Copper Valley Telephone Cooperative, Inc.; Cordova Telephone Cooperative, Inc.; City of Ketchikan; Nushagak Electric & Telephone Cooperative, Inc.; OTZ Telephone Cooperative, Inc.; Summit Telephone & Telegraph Company of Alaska, Inc. d/b/a Summit Telephone Company, Inc.; and Yukon Telephone Company, Inc., is affirmed.
- 3. The Joint Petition to Adopt the Access Charge Filing Schedule, filed September 19, 2007, as amended by the Stipulation to Amend Joint Petition to Adopt the Access Charge Filing Schedule, filed September 25, 2007, is granted in part.
- 4. The Stipulation to Amend Joint Petition to Adopt the Access Charge Filing Schedule, filed September 25, 2007, is accepted as follows:

A.	4 p.m.	October 8, 2007	The local exchange carriers in these proceedings shall file information required by AllACM Section 701(b)(11). The local exchange carriers in these proceedings shall provide all workpapers that support information required by AllACM Sections 701(b)(1)-(b)(11) to every party granted intervention in these proceedings. Any workpapers available prior to this date are to be provided as they become available.
			available.

U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/ Ú-07-127(1)/Ú-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) Page 8 of 11

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1 2 3 4	B.	4 p.m.	October 15, 2007	The local exchange carriers in these proceedings and the Alaska Exchange Carriers Association, Inc. shall file prefiled testimony as required by AIIACM Sections 701(b)(13) and 702(a)(3).
5 6 7 8	C.	4 p.m.	October 31, 2007	The local exchange carriers in these proceedings shall file proposed rates for Special Access and other company – specific rates per AllACM Section 701(b)(12), along with rate development workpapers and prefiled testimony or a detailed narrative explaining rate development.
9 10	D.	4 p.m.	November 2, 2007	The Alaska Exchange Carriers Association, Inc. shall file the revenue requirement for the average schedule companies.
11 12 13 14	E.	4 p.m.	December 21, 2007	Intervenors shall file prefiled testimony in response to information filed by the local exchange carriers in these proceedings and the Alaska Exchange Carriers' Association, Inc. through October 31, 2007.
15 16	F.	4 p.m.	January 18, 2008	The Alaska Exchange Carriers Association, Inc. shall file the traffic-sensitive demand estimate for the period December 20, 2006, through December 19, 2007.
17 18 19	G.	4 p.m.	February 6, 2008	The local exchange carriers in these proceedings and the Alaska Exchange Carriers Association, Inc. shall file reply testimony on proposed revenue requirements.
20 21 22	H.	4 p.m.	February 13, 2008	Parties shall file joint or separate statements of issues or stipulations on proposed revenue requirements.
23 24 25	I.	4 p.m.	February 15, 2008	Intervenors shall file prefiled testimony regarding the preliminary traffic sensitive demand estimate filed by the Alaska Exchange Carriers Association, Inc. on January 18, 2008.

U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/ U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) Page 9 of 11

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1 2 3 4	J.	4 p.m.	February 22, 2008	The local exchange carriers in these proceedings and the Alaska Exchange Carriers Association, Inc. shall file reply prefiled testimony on traffic-sensitive demand estimate filed on January 18, 2008.
5	K.	4 p.m.	February 25, 2008	Parties shall file joint or separate statements of issues regarding the demand estimate filed on January 18, 2008.
7 8 9	L	9 a.m.	February 25, 2008	A public hearing on the revenue requirement shall commence in the East Hearing Room of the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska. <sup>19</sup>
10 11 12 13	M.	9 a.m.	March 10, 2008	A public hearing regarding the demand estimate shall commence in the East Hearing Room of the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska.
14 15 16	N.		April 1, 2008	Effective date or retroactive effective date for new access charges.
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<sup>19</sup>If you are a person with a disability who may need a special accommodation, auxiliary aid or service; or alternative communication format in order to participate in this hearing, please contact Joyce McGowan at 1-907-276-6222, toll free at 1-800-390-2782, TTY 1-907-276-4533, or send a request via electronic mail to rca.mail@alaska.gov at least three business days before the hearing to make the necessary arrangements.

Any party wishing to appear telephonically at the hearing must advise us in writing and provide a telephone number where it may be reached for that appearance.

20 Id.

 $\begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) \\ Page 10 of 11 \end{array}$ 

5.	Commissioners	Anthony A	A. Price,	Kate	Giard,	and	Dave	Harbour	are
designated as th	ie commission p	anel in the	se docke	ets.					

- 6. Commissioner Anthony A. Price is designated as commission docket manager in these dockets.
- 7. John P. Wood is appointed as administrative law judge in these dockets.

DATED AND EFFECTIVE at Anchorage, Alaska, this 12th day of October, 2007.



BY DIRECTION OF THE COMMISSION (Commissioners Mark K. Johnson and Janis W. Wilson, not participating.)

 $\begin{array}{l} U-07-121(1)/U-07-122(1)/U-07-123(1)/U-07-124(1)/U-07-125(1)/U-07-126(1)/U-07-127(1)/U-07-128(1)/U-07-129(1)/U-07-130(1)/U-07-131(1)/U-07-132(1)-(10/12/2007) \\ Page 11 of 11 \end{array}$ 

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#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Anthony A. Price, Chairman

Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson

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In the Matter of the Tariff Revision, Designated as YTA175-13, Filed by GOLDEN VALLEY ELECTRIC ASSOCIATION, INC. Regarding

U-07-108

INC. Regarding) . 1 to Provide)

Amendments to Tariff No. 1 to Provid Transmission Service ORDER NO. 4

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#### BY THE COMMISSION:

#### Summary

ORDER GRANTING EXTENSION OF STATUTORY TIMELINE, GRANTING PETITIONS TO INTERVENE, AND ESTABLISHING HEARING DATE

We grant the extension of the statutory timeline for a final decision in this docket based upon the request of Golden Valley Electric Association, Inc. (GVEA). We grant petitions to intervene. We establish the date for a hearing.

#### Background

GVEA filed TA175-13 containing new tariff provisions offering firm transmission service.<sup>1</sup> We suspended TA175-13 for further investigation, invited petitions to intervene, and established a deadline for a final decision.<sup>2</sup> We scheduled a

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<sup>&</sup>lt;sup>1</sup>TA175-13, filed June 7, 2007.

<sup>&</sup>lt;sup>2</sup>Order U-07-108(1), Order Suspending TA175-13, Addressing Timeline for Decision, Inviting Attorney General Participation and Petitions to Intervene, Designating Commission Panel, and Appointing Settlement Judge, dated August 31, 2007, as corrected by Errata Notice to Order U-07-108(1), dated September 18, 2007.

settlement conference.<sup>3</sup> GVEA requested that we reschedule the settlement conference to a later date. We granted GVEA's request.<sup>4</sup>

We received petitions to intervene from Homer Electric Association, Inc. and Alaska Electric and Energy Cooperative, Inc. (collectively, HEA);<sup>5</sup> Municipality of Anchorage d/b/a Anchorage Municipal Light & Power Department (ML&P);<sup>6</sup> Alaska Industrial Development and Export Authority (AIDEA);<sup>7</sup> and Chugach Electric Association, Inc. (Chugach).<sup>8</sup> The Attorney General (AG) gave notice of intent to participate.<sup>9</sup> GVEA consented to a 45-day extension of the statutory deadline and stated that it did not oppose any of the petitions to intervene.<sup>10</sup> We received consents to

<sup>&</sup>lt;sup>3</sup>Order U-07-108(2), *Order Scheduling Settlement Conference*, dated September 21, 2007.

<sup>&</sup>lt;sup>4</sup>Order U-07-108(3), *Order Rescheduling Settlement Conference*, dated October 12, 2007.

<sup>&</sup>lt;sup>5</sup>Petition to Intervene of Homer Electric Association, Inc. and Alaska Electric and Energy Cooperative, Inc., filed September 14, 2007.

<sup>&</sup>lt;sup>6</sup>Petition to Intervene, filed September 17, 2007.

<sup>&</sup>lt;sup>7</sup>Alaska Industrial Development and Export Authority's Petition to Intervene, filed September 17, 2007.

<sup>&</sup>lt;sup>8</sup>Chugach Electric Association, Inc.'s Unopposed Petition to Intervene, filed September 19, 2007. Chugach also filed an Unopposed Motion to Accept Late-Filed Petition to Intervene on September 19, 2007.

<sup>&</sup>lt;sup>9</sup>Notice of Election to Participate, filed September 11, 2007.

<sup>&</sup>lt;sup>10</sup>Golden Valley Electric Association, Inc.'s Non-Opposition to Petitions to Intervene and Consent to Extension of Time, filed September 26, 2007.

the extension of the statutory deadline from the AG,<sup>11</sup> Chugach,<sup>12</sup> AIDEA,<sup>13</sup> ML&P,<sup>14</sup> and HEA.<sup>15</sup>

#### Discussion

#### Timeline Extension

GVEA and all the entities petitioning to intervene in this docket consented to a 45-day extension of the statutory deadline. We may extend the deadline if all parties consent to the extension. Based upon the consent of GVEA, the AG, and all the entities petitioning to intervene and to allow time for conducting a settlement conference on a date convenient to all the participants, we extend the deadline for a final order in this docket from March 3, 2008, to April 17, 2008. We encourage all parties to use the time before and after the settlement conference scheduled for November 19, 2007, to discuss and narrow any contested issues in this docket.

#### Petitions to Intervene

Chugach's petition was filed two days after the date we established for petitions to intervene due to a misunderstanding. GVEA did not oppose the petition, and, in light of the procedural schedule, no prejudice results from accepting Chugach's petition. For these reasons, we accept Chugach's late-filed petition to intervene.

<sup>&</sup>lt;sup>11</sup>Attorney General's Notice of Consent to Extension of Statutory Deadline, filed October 17, 2007.

<sup>&</sup>lt;sup>12</sup>Chugach Electric Association, Inc.'s Consent to Extension of Statutory Deadline, filed October 19, 2007.

<sup>&</sup>lt;sup>13</sup>Alaska Industrial Development and Export Authority's Consent to Extension of Deadline for Final Commission Order, filed October 22, 2007.

<sup>&</sup>lt;sup>14</sup>Municipality of Anchorage d/b/a Municipal Light & Power's Consent to Extension of Statutory Deadline, filed October 22, 2007.

<sup>&</sup>lt;sup>15</sup>Homer Electric Association, Inc.'s and Alaska Electric and Energy Cooperative, Inc.'s Consent to Extension of Statutory Deadline, filed October 23, 2007.

<sup>&</sup>lt;sup>16</sup>AS 42.05.175(f).

The relevant considerations in ruling on a petition to intervene are set forth in 3 AAC 48.110(b).<sup>17</sup> HEA, ML&P, and Chugach state they may in the future be potential customers under the proposed GVEA transmission tariff, and the tariff may affect other future contractual arrangements among the electric utilities in the region. Chugach states that our decision in this docket may affect our review of future similar transmission rate proposals made by Chugach. HEA and AIDEA state that our decision in this docket may affect their future arrangements to purchase and sell power from the Healy Clean Coal Project. We find that the participation by these entities will assist in the development of a sound record and that the outcome of this proceeding may affect their interests. For these reasons, we grant the petitions to intervene of HEA, ML&P, AIDEA, and Chugach.

#### **Hearing Dates**

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While the ongoing settlement discussions may narrow the scope or eliminate the need for the public hearing in this docket, it is appropriate to establish hearing dates at this time. The public hearing in this docket shall commence on January 29, 2008, and continue as needed through February 1, 2008.

<sup>&</sup>lt;sup>17</sup>These relevant considerations are:

<sup>(1)</sup> the nature of the petitioner's right under statute to be made a party to the proceeding;

<sup>(2)</sup> the nature and extent of the property, financial, or other interest of the petitioner;

<sup>(3)</sup> the effect on the petitioner's interest of the order which may be entered in the proceeding;

<sup>(4)</sup> the availability of other means by which the petitioner's interest may be protected;

<sup>(5)</sup> the extent to which petitioner's interests will be represented by existing parties;

<sup>(6)</sup> the extent to which petitioner's participation may reasonably be expected to assist in the development of a sound record, including

<sup>(7)</sup> the extent to which participation of the petitioner will broaden the issue or delay the proceeding.

#### ORDER

#### THE COMMISSION THEREFORE ORDERS:

- 1. With the consent of all the parties the deadline for a final order in this docket is extended from March 3, 2008, to April 17, 2008.
- 2. The Petition to Intervene of Homer Electric Association, Inc. and Alaska Electric and Energy Cooperative, Inc., filed September 14, 2007, is granted.
- 3. The *Petition to Intervene*, filed September 17, 2007, by the Municipality of Anchorage d/b/a Anchorage Municipal Light & Power Department is granted.
- 4. Alaska Industrial Development and Export Authority's Petition to Intervene, filed September 17, 2007, is granted.
- 5. The *Unopposed Motion to Accept Late-Filed Petition to Intervene*, filed September 19, 2007, by Chugach Electric Association, Inc. is granted.
- 6. Chugach Electric Association, Inc.'s Unopposed Petition to Intervene, filed September 19, 2007, is granted.

7. A public hearing shall convene at 9 a.m., January 29, 2008, in the East Hearing Room of the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska. The hearing shall continue thereafter as necessary, through February 1, 2008.

DATED AND EFFECTIVE at Anchorage, Alaska, this 29th day of October, 2007.

BY DIRECTION OF THE COMMISSION Commissioners Dave Harbour and Anthony A. Price, not participating.)

<sup>18</sup>If you are a person with a disability who may need a special accommodation, auxiliary aid or service, or alternative communication format in order to participate in this hearing, please contact Joyce McGowan at 1-907-276-6222, toll-free at 1-800-390-2782, or TTY 1-907-276-4533, or send your request by electronic mail to rca.mail@alaska.gov at least three business days before the hearing to make the necessary arrangements.

Any party wishing to appear telephonically at the hearing, must advise us in writing before the hearing to make the necessary arrangements and provide a telephone number where it may be reached for that appearance.

U-07-108(4) - (10/29/2007) Page 6 of 6

SERVICE LIST U-07-108(4)

Page: 1 of 1 Date: 10/29/2007

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EMAIL LIST U-07-108(4)

Page: 1 of 1 Date: 10/29/2007

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1996年19月末19日 - 1917年 - 1918年19月 -

# Regulatory Commission of Alaska 701 West Eighth Avenue, Suite 300 Anchorage, Alaska 99501 (907) 276-6222; TTY (907) 276-4533

#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

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Anthony A. Price, Chairman Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson

In the Matter of the Tariff Revision, Designated as ) TA279-8, Filed by CHUGACH ELECTRIC ) ASSOCIATION, INC. for a Rate Increase and ) Rate Redesign

U-06-134

ORDER NO. 18

ORDER ACCEPTING STIPULATION, FINDING MOOT MOTION TO RESCHEDULE HEARINGS, ACKNOWLEDGING WITHDRAWAL OF PETITION FOR RECONSIDERATION, SCHEDULING HEARINGS, AND EXTENDING STATUTORY DEADLINE

BY THE COMMISSION:

#### Summary

We accept the stipulation resolving scheduling issues filed by Chugach Electric Association, Inc. (Chugach) and Matanuska Electric Association, Inc. (MEA), subject to conditions. We find moot the motion to reschedule hearings filed by Chugach. We acknowledge the withdrawal by Chugach of its petition for reconsideration. We schedule public hearings. We extend the statutory deadline for our final order.

#### Background

We suspended in part the tariff advice filing designated as TA279-8 filed by Chugach. We granted petitions to intervene filed by Homer Electric Association,

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<sup>&</sup>lt;sup>1</sup>Order U-06-134(1), Order Suspending Tariff Filing; Approving, In Part, Materials Filed in Support of Tariff Filing; Granting Petitions to Intervene; Inviting Intervenors; Designating Commission Panel; and Appointing Administrative Law Judge, dated December 4, 2006 (Order U-06-134(1)).

Inc. and Alaska Electric Energy Cooperative, Inc. (collectively, HEA); Matanuska Electric Association, Inc.; and the City of Seward (Seward).<sup>2</sup> The Attorney General (AG) filed a notice of election to participate.<sup>3</sup> We also granted the petition to intervene of Ray Kreig (Kreig).<sup>4</sup>

We established a procedural schedule for prefiling of testimony and for a public hearing commencing on August 6, 2007.<sup>5</sup> On July 27, 2007, Chugach, HEA, and the AG<sup>6</sup> filed a motion for expedited consideration of their underlying request that we accept a Joint Settlement agreement<sup>7</sup> reached among themselves and grant certain scheduling relief.<sup>8</sup> We scheduled a hearing on July 31, 2007, to allow the Settling Parties an opportunity to respond to any opposition.<sup>9</sup> Seward filed a response to the Joint Request,<sup>10</sup> and MEA filed an opposition.<sup>11</sup> Seward then filed a notice of a

<sup>&</sup>lt;sup>2</sup>Order U-06-134(1).

<sup>&</sup>lt;sup>3</sup>Notice of Election to Participate, filed November 28, 2006, in TA279-8.

<sup>&</sup>lt;sup>4</sup>Order U-06-134(8), *Order Granting in Part Petition to Intervene*, dated February 28, 2007.

<sup>&</sup>lt;sup>5</sup>Order U-06-134(3), *Order Establishing Procedural Schedule*, dated January 23, 2007.

<sup>&</sup>lt;sup>6</sup>Chugach, HEA, and the AG are referred to as the "Settling Parties."

<sup>&</sup>lt;sup>7</sup>The terms of settlement are embodied in a *Memorandum of Agreement* among the Settling Parties dated July 27, 2007, and resolve all contested issues in this docket among the Settling Parties (Joint Settlement).

<sup>&</sup>lt;sup>8</sup>Joint Notice of Filing of Settlement Among Chugach, Homer and RAPA, Request to Accept Settlement and Motion for Scheduling Relief (Joint Request) and Motion for Expedited Consideration, both filed July 27, 2007.

<sup>&</sup>lt;sup>9</sup>Electronic ruling, dated July 30, 2007.

<sup>&</sup>lt;sup>10</sup>City of Seward's Response to Joint Notice of Settlement, Joint Request to Accept Settlement, and Joint Motion for Scheduling Relief, filed July 30, 2007.

<sup>&</sup>lt;sup>11</sup>Opposition of Matanuska Electric Association, Inc. to Joint Request to Accept Settlement and Motion for Scheduling Conference, filed July 30, 2007.

separate settlement agreement reached with Chugach (Seward Settlement)<sup>12</sup> which incorporated by reference the terms of the Joint Settlement.<sup>13</sup> Replies were received to MEA's opposition at the hearing held on the afternoon of July 31, 2007.<sup>14</sup>

We found acceptance of the Joint Settlement and the Seward Settlement (together, the "Settlements") in the public interest. We also found that acceptance of the Settlements would not prejudice the non-settling parties, Ray Kreig and MEA. We provided MEA with an opportunity to present supplemental testimony on two concerns it raised during the public hearing and postponed the original hearing date by several weeks to September 10, 2007. We encouraged Chugach and MEA to use the time before the rescheduled hearing to explore a possible stipulation or settlement of contested issues and offered the services of a settlement judge. <sup>16</sup>

Chugach filed a motion and memorandum requesting that we reschedule the September 10, 2007, public hearing. MEA filed an opposition to the Chugach Motion. Chugach filed a reply. No other party made any filing with respect to the

<sup>&</sup>lt;sup>12</sup>The terms of settlement are memorialized in a *Settlement Agreement Between Chugach and City of Seward*, dated July 31, 2007, and resolve all contested issues in this docket between Chugach and Seward.

<sup>&</sup>lt;sup>13</sup>Notice of Filing of Seward Settlement Agreement, filed July 31, 2007.

<sup>&</sup>lt;sup>14</sup>Tr. 133-138, 143-150, 154-156.

<sup>&</sup>lt;sup>15</sup>Order U-06-134(15), Order Accepting Settlement Agreements, Amending Procedural Schedule, and Permitting Supplemental Testimony, dated August 9, 2007 (Order U-06-134(15)).

<sup>&</sup>lt;sup>16</sup>*Id.* at 5, n.20.

<sup>&</sup>lt;sup>17</sup>Motion and Memorandum Requesting Rescheduling of September 10, 2007 Hearing, filed August 17, 2007 (Chugach Motion).

<sup>&</sup>lt;sup>18</sup>MEA's Opposition to Chugach's Motion Requesting Rescheduling of September 10, 2007 Hearing, filed August 20, 2007.

<sup>&</sup>lt;sup>19</sup>Reply to MEA's Opposition to Chugach's Motion Requesting Rescheduling of September 10, 2007 Hearing, filed August 20, 2007.

Chugach Motion. Chugach also filed an unopposed motion for expedited consideration of its motion.<sup>20</sup>

Administrative Law Judge David Lawrence held telephone conferences with counsel for Chugach and MEA to discuss alternative times for the hearing scheduled for the week of September 10, 2007. Chugach and MEA agreed to a hearing date beginning January 14, 2008 along with an extension of the statutory deadline to April 14, 2007.

After the August 23, 2007, teleconference, we received notification that nearly all of the dockets with hearings scheduled for October 2007 had settled, and we instructed Judge Lawrence to contact the parties and indicate our preference for a hearing in October. Despite this offer for earlier hearings, Chugach and MEA maintained their preference for the January 14, 2008, hearing date. As this hearing date exceeded the statutory timeline of December 29, 2007, we requested all parties to provide written statements indicating whether they consent to extend the statutory timeline before we rescheduled the hearing to January 14, 2008.<sup>21</sup>

All the parties to this docket filed written consents to an extension of the statutory timeline from December 29, 2007, to April 14, 2008.<sup>22</sup> MEA's written consent

<sup>&</sup>lt;sup>20</sup>Unopposed Motion for Expedited Consideration, filed August 17, 2007. Due to the close proximity of the hearing and the need for participants to make travel arrangements, the administrative law judge considered the Chugach Motion in an expedited manner and informed the parties that the date of the hearing would be moved from September 10, 2007, to a later time.

<sup>&</sup>lt;sup>21</sup>Electronic ruling, dated September 28, 2007.

<sup>&</sup>lt;sup>22</sup>Chugach Motion; Consent of Matanuska Electric Association, Inc. to Extension of Statutory Deadlines, filed October 2, 2007; Attorney General's Consent to Extension for Statutory Timeline, filed October 2, 2007; City of Seward, Seward Electric Utilities Division's Consent to Extension of Statutory Timeline, filed October 2, 2007; Homer Electric Association, Inc. and Alaska Electric and Energy Cooperative, Inc. Consent to Extension of Statutory Deadline, filed October 2, 2007; and Consent to Extension of Chugach Consumers and Ray Kreig, filed October 4, 2007.

contained a typographical error that stated its consent to an extension to a past date, April 14, 2007, rather than April 14, 2008. Judge Lawrence notified MEA counsel of the error and requested a corrected filing. Instead of a correction, on October 11, 2007, MEA filed a notice of withdrawal of consent to extend the statutory timeline.<sup>23</sup> The commission determined that it was necessary to schedule the hearings as soon as possible in advance of the December 29, 2007, deadline, and notified the parties that the hearings would commence on October 16, 2007.<sup>24</sup>

Chugach filed a petition for reconsideration of the electronic order notifying parties of the October 16, 2007, hearing date<sup>25</sup> but later withdrew the petition because the issues it raised had become moot.<sup>26</sup> Chugach and MEA filed a stipulation dispensing with the evidentiary hearing in the docket, stipulating into evidence the prefiled testimony and exhibits, waiving cross-examination of each other's witnesses, and consenting to extend the statutory deadline.<sup>27</sup> By its terms the stipulation had to be accepted in its entirety or rejected. We notified the parties that the stipulation would not be accepted in its entirety.<sup>28</sup> At the outset of the October 16, 2007, hearing, the participants discussed possible changes to the stipulation that might result in our

<sup>&</sup>lt;sup>23</sup>Notice of Withdrawal of Consent to Extension of Statutory Deadlines, filed October 11, 2007.

<sup>&</sup>lt;sup>24</sup>Electronic ruling, dated October 12, 2007.

<sup>&</sup>lt;sup>25</sup>Petition for Reconsideration, filed October 15, 2007 (Chugach Petition).

<sup>&</sup>lt;sup>26</sup>Letter from Donald W. Edwards filed October 19, 2007.

<sup>&</sup>lt;sup>27</sup>Stipulation to Resolve Outstanding Scheduling Issues in Docket U-06-134, filed October 15, 2007.

<sup>&</sup>lt;sup>28</sup>Electronic ruling, dated October 15, 2007.

acceptance.<sup>29</sup> Chugach and MEA filed a revised stipulation<sup>30</sup> which we found obviated the need to hold evidentiary hearings on October 16, 2007.<sup>31</sup>

#### Discussion

The Stipulation provides for simultaneous initial briefs from parties on October 26, 2007, and simultaneous responsive briefs on December 5, 2007. Commission questions of witnesses will be accommodated by way of written questions to witnesses on November 7, 2007, and responsive affidavits from witnesses on November 14, 2007. If we want to question any witnesses in person or by telephone, the parties will make those witnesses available at hearings on November 20 or 27, 2007. The Stipulation also includes the consent of Chugach and MEA to an extension of the statutory deadline to March 31, 2008, and stipulates to the admission of all prefiled testimony and exhibits of Chugach and MEA witnesses.<sup>32</sup>

We find that acceptance of the Stipulation is in the public interest. We accept the Stipulation, subject to conditions: the conditions are that this Stipulation is binding on the parties for purposes of this docket only, the Stipulation will have no binding or precedential effect, and the Stipulation is not admissible in evidence in any other docket or legal proceeding. The Stipulation is attached to this order as an appendix. It provides a reasonable process for commission questioning of witnesses and sufficient time for us to issue a final order. While it is unusual for parties to a contested docket to waive cross-examination, it is not uncommon for issues to be resolved on the basis of written submissions. Chugach and MEA are sophisticated

<sup>&</sup>lt;sup>29</sup>Tr. at 235-248.

<sup>&</sup>lt;sup>30</sup>Stipulation to Resolve Outstanding Scheduling Issues in Docket U-06-134, filed October 16, 2007 (Stipulation).

<sup>&</sup>lt;sup>31</sup>Electronic ruling, dated October 16, 2007.

<sup>&</sup>lt;sup>32</sup>Stipulation at 3-4.

companies represented by competent legal counsel, and we are confident that their waivers of cross-examination rights were made with a full appreciation of the potential impact on the evidentiary record and the outcome of disputed issues. Therefore, we find that implementation of the terms of the Stipulation will likely result in a sufficient record upon which we can make a final decision in this docket. In addition, dispensing with a full evidentiary hearing will result in significant savings of time and resources for all the participants. For these reasons we accept the Stipulation, subject to the conditions set out above.

We do not concede that under the circumstances of this docket MEA had the ability to withdraw its consent to an extension of the statutory deadline once it is given. However, as a result of our acceptance of the Stipulation, that question is moot. MEA's unilateral withdrawal of consent to the extension of the statutory deadline, almost two months after providing that consent caused the Commission substantial and unnecessary travail. The Legislature established the statutory deadlines in AS 42.05.175 to provide utilities with greater predictability and to reduce regulatory lag. We take the statutory deadlines seriously and apply them with great care. We expect parties coming before us to do the same.

Chugach notified us on October 19, 2007, that it wished to withdraw its petition for reconsideration filed October 15, 2007. We allow Chugach to withdraw its petition for reconsideration.

In accordance with the terms of the Stipulation, we receive into the record in this docket Exhibits T-1 through T-26, the prefiled testimony, and the exhibits attached to the prefiled testimony of Chugach and MEA which were marked for identification at the October 16, 2007, prehearing conference. Also in accordance with the Stipulation, we schedule public hearings for November 20 and November 27, 2007, for commission questioning of witnesses.

Based upon the written consent of all parties, we extend the statutory deadline for a final order in this docket from December 29, 2007, to March 31, 2008.

#### **ORDER**

#### THE COMMISSION THEREFORE ORDERS:

- 1. The Stipulation to Resolve Outstanding Scheduling Issues in Docket U-06-134 filed October 16, 2007, by Chugach Electric Association, Inc. and Matanuska Electric Association, Inc. is accepted subject to conditions: the conditions are that this Stipulation is binding on the parties for purposes of this docket only, the Stipulation will have no binding or precedential effect, and the Stipulation is not admissible in evidence in any other docket or legal proceeding.
- Withdrawal of the petition for reconsideration filed October 15, 2007,
   by Chugach Electric Association, Inc. as requested on October 19, 2007 is granted.
- 3. The prefiled testimony marked Exhibits T-1 thorough T-20 and the exhibits attached to the prefiled testimony submitted by Chugach Electric Association, Inc. at the October 16, 2007, prehearing conference are admitted into the record.
- 4. The prefiled testimony marked Exhibits T-21 thorough T-26 and the exhibits attached to the prefiled testimony submitted by Matanuska Electric Association, Inc. at the October 16, 2007, prehearing conference are admitted into the record.
  - 5. Ordering Paragraph No. 5e of Order U-06-134(15) is vacated.

1	6. A public hearing shall commence at 9 a.m., November 20, 2007, ir
2	the East Hearing Room of the Regulatory Commission of Alaska, 701 W. Eighth
3	Avenue, Suite 300, Anchorage, Alaska for the purpose of commission questioning of
4	witnesses. <sup>33</sup>
5	7. A public hearing shall commence at 9 a.m., November 27, 2007, in
6	the East Hearing Room of the Regulatory Commission of Alaska, 701 W. Eighth
7	Avenue, Suite 300, Anchorage, Alaska for the purpose of commission questioning of
8	witnesses. <sup>34</sup>
9	8. With the written consent of all parties, the statutory deadline for a

8. With the written consent of all parties, the statutory deadline for a final order in this docket is extended to March 31, 2008.

9. The Motion and Memorandum Requesting Rescheduling of September 10, 2007, Hearing filed August 17, 2007, by Chugach Electric Association, Inc. is moot.

DATED AND EFFECTIVE at Anchorage, Alaska, this 2nd day of November, 2007.

BY DIRECTION OF THE COMMISSION

(SEAL)

<sup>34</sup>Id.

U-06-134(18) – (11/02/2007) Page 9 of 9

<sup>&</sup>lt;sup>33</sup>If you are a person with a disability who may need a special accommodation, auxiliary aid or service; or alternative communication format in order to participate in this hearing, please contact Joyce McGowan at 1-907-276-6222, toll free at 1-800-390-2782, or TTY at 1-907-276-4533, or send your request by electronic mail to rca.mail@alaska.gov at least three business days before the hearing to make the necessary arrangements.

Any party wishing to appear telephonically at the hearing must advise us in writing and provide a telephone number where it may be reached for that appearance.

OTOCT 16 PMR: 49

#### STATE OF ALASKA

#### BEFORE THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:	Anthony A. Price, Chairman Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson
In the Matter of the Tariff Revision Designated As TA 279-8 filed by Chugach Electric Association, Inc., for a Rate Increase and Rate Redesign	) Docket No. U-06-134 ) )

### STIPULATION TO RESOLVE OUTSTANDING SCHEDULING ISSUES IN DOCKET U-06-134

This Stipulation is by and between Matanuska Electric Association, Inc. (MEA) and Chugach Electric Association, Inc. (Chugach) (collectively, the Parties). The purpose of this Stipulation is to resolve the outstanding issues in the proceeding regarding the scheduling of a hearing and to provide for the extension of the Commission's statutory deadline until March 31, 2008, for the issuance of a decision in this matter.

#### I. INTRODUCTION

1. The Parties to this Stipulation are all of the remaining active parties to Docket U-06-134, and they present this Stipulation to the Commission as a partial compromise settlement within the scope and meaning of AS 42.05.191.

PATTON BOGGS LLP

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5: (907) 263-6300
6: (907) 263-6345

U-06-134(18) Appendix Page 1 of 5

#### II. EVIDENTIARY SUPPORT FOR THIS STIPULATION

- 2. The Parties believe and mutually represent that this Stipulation accommodates not only their individual interests, but also the public interest in several ways, including (but not limited to) the following:
- (a) This Stipulation provides for additional briefing, on the schedule set forth below, to be provided to the Commission on the issues raised in Chugach's and MEA's prefiled testimony;
- (b) This Stipulation eliminates the need for a lengthy hearing before the Commission which would otherwise be required to resolve the issues pending in Docket U-06-134 and relatedly eliminates the burdens attendant upon the Parties and the Commission which would otherwise be necessary to prepare for and hold such a hearing;
- (c) This Stipulation establishes an orderly process for addressing the issues raised in this Docket;
- 3. The Parties submit the facts set forth in Section 2 above as evidentiary support for this Stipulation in conformance with 3 AAC 48.166.

#### III. SUBSTANTIVE STIPULATED PROVISIONS

4. <u>Briefing Schedule for Issues Raised in Docket U-06-134.</u>

Subject to Commission approval of this Stipulation, the Parties agree to provide simultaneous briefing, due at 4 p.m. on the dates set out below, as follows:

PATTON BOGGS
LLP
Law Offices
601 West Fifth Avenue

01 West Fifth Avenue Suite 700 orage, AK 99501 (907) 263-6300 (907) 263-6345

STIPULATION TO RESOLVE OUTSTANDING SCHEDULING ISSUES IN DOCKET U-06-134 RCA Docket No. U-06-134

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- a. Opening Briefs of no more than 50 pages due on October 26, 2007; and
- b. Responsive Briefs of no more than 25 pages due on December 5, 2007.

Further or additional oral testimony or affidavits will be submitted to the Commission only in response to any questions from the Commission. The Commission may enter its decision in Docket U-06-134 based upon the record in the Docket.

#### 5. Commission Questions

If the Commission so desires, it may submit written questions to the Parties, jointly, on or before November 7, 2007, specifying to which witness each question is directed. The specified witness, or the most qualified witness from that Party, will respond to such questions by affidavit on or before November 14, 2007. The Commission will advise the Parties, on or before November 16, 2007, of any witness it wishes to question orally. Such questioning will take place, in person or telephonically, on November 20, 2007. Witnesses not available on that date will be questioned on November 27, 2007. The Parties hereby agree to waive any right to cross-examination of witnesses' responses to Commission questioning, except as expressed herein.

#### 6. Waiver of Statutory Deadline.

The parties consent to an extension of the statutory deadline until March 31, 2008.

PATTON BOGGS LLP

LLP Law Offices 601 West Fifth Avenue Suite 700 'orage, AK 99501 :: (907) 263-6300

STIPULATION TO RESOLVE OUTSTANDING SCHEDULING ISSUES IN DOCKET U-06-134

RCA Docket No. U-06-134

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#### 7. <u>Exhibits</u>.

The parties stipulate to the admission of Exhibits T1 - T26.

#### IV. MISCELLANEOUS PROVISIONS

#### 8. Reservation of Advocacy Positions; No Third-Party Beneficiaries.

The substantive stipulated provisions set forth in Subpart III represent compromises between and among the Parties on numerous issues. Accordingly, the validity and enforceability of the agreements contained in this Stipulation are conditioned on the Commission's acceptance of this Stipulation in its entirety. Should any issue in this Docket proceed to hearing, this Stipulation may not be put into evidence, and no Party may use this Stipulation against any other Party in this Docket or in any other dockets or proceedings. The Parties also reserve their respective rights in any future proceeding(s) to advocate and provide support for positions inconsistent with, or contrary to, any position to which they have acceded in this Stipulation. No individual or entity who is not a signatory to this Stipulation shall have any rights in consequence of the fact that this Stipulation was entered into or submitted to the Commission for approval.

#### 9. No Precedential Effect.

Nothing in this Stipulation is intended to, or shall, limit the Commission's powers as conferred by statute or bind the Commission in future proceedings to any position it accepts in this Stipulation. This Stipulation is binding on the Parties for the

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STIPULATION TO RESOLVE OUTSTANDING SCHEDULING ISSUES IN DOCKET U-06-134 RCA Docket No. U-06-134

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purpose of this Docket only and will have no binding or precedential effect and shall not be admissible in evidence in any other docket or legal proceeding.

Respectfully submitted this 16th day of October, 2007.

PATTON BOGGS LLP Attorneys for Matanuska Electric Association, Inc.

Kyle W. Parker, ABA No. 9212124 Rebecca S. Copeland, ABA No. 8606045

DORSEY & WHITNEY LLP Attorneys for Chugach Electric Association, Inc.

By:

Donald W. Edwards, ABA No. 8004002 Wendy E. Leukuma, ABA No. 0211048

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STIPULATION TO RESOLVE OUTSTANDING SCHEDULING ISSUES IN DOCKET U-06-134 RCA Docket No. U-06-134

Page 5 of 5

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#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

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Anthony A. Price, Chairman Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson

In the Matter of the Petition by ACS Wireless, Inc. ) for Arbitration with CORDOVA TELEPHONE ) COOPERATIVE, INC., for the Purpose of ) Arbitrating a Network Interconnection and ) Reciprocal Compensation Arrangement in the ) Cordova Study Area

U-07-97

ORDER NO. 2

## ORDER ESTABLISHING PROCEDURAL SCHEDULE AND GRANTING REQUEST FOR EXTENSION OF TIMELINE FOR COMMISSION DECISION

#### BY THE COMMISSION:

Cordova Telephone Cooperative, Inc. moved for a scheduling conference and sought expedited consideration of its motion.<sup>1</sup> ACS Wireless, Inc. opposed both the principal motion and the request for expedited consideration.<sup>2</sup> The motion for expedited consideration was granted, and a conference was scheduled.<sup>3</sup>

At the conference, the parties were heard. The parties agreed to a schedule for further proceedings and agreed to extend the time for a decision by the commission. We accept the schedule for further proceedings agreed to by the parties

U-07-97(2) - (11/09/2007) Page 1 of 2

<sup>&</sup>lt;sup>1</sup>CTC's Motion for Immediate Scheduling Conference and Motion for Expedited Consideration, filed October 26, 2007.

<sup>&</sup>lt;sup>2</sup>ACS Wireless, Inc.'s Opposition to CTC's Motion for Immediate Scheduling Conference and Motion for Expedited Consideration, filed October 29, 2007.

<sup>&</sup>lt;sup>3</sup>We notified the parties electronically on October 30, 2007.

and grant the parties' request made after the hearing to permit filing of the arbitrator's decision with us on November 19, 2007.<sup>4</sup> We also grant the request by the parties that the date for our final decision be extended.

#### **ORDER**

THE COMMISSION THEREFORE ORDERS:

- 1. By 4 p.m., November 19, 2007, ACS Wireless, Inc. shall file a copy of the arbitrator's decision and award.
- 2. By 4 p.m., November 28, 2007, Cordova Telephone Cooperative, Inc. and ACS Wireless, Inc. may file comments on or objections to the arbitrator's decision and award.
- 3. By 4 p.m., December 5, 2007, Cordova Telephone Cooperative, Inc. and ACS Wireless, Inc. may file replies to opposing party comments and objections.
- 4. The time for issuance of a final order in this proceeding is extended to January 18, 2008.

DATED AND EFFECTIVE at Anchorage, Alaska, this 9th day of November, 2007.

BY DIRECTION OF THE COMMISSION (Commissioners Anthony A. Price and Dave Harbour, not participating.)

(SEAL)

<sup>&</sup>lt;sup>4</sup>E-mail from D. Thompson, filed November 2, 2007.

#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

**Before Commissioners:** 

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Anthony A. Price, Chairman Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson

In the Matter of the Request by ARCTIC SLOPE) TELEPHONE ASSOCIATION COOPERATIVE, INC. for Designation of ASTAC Wireless LLC as a Carrier Eligible to Receive Universal Service Support Under the Telecommunications Act of 1996 Throughout the Study Area Served by ARCTIC SLOPE TELEPHONE ASSOCIATION COOPERATIVE, INC.

U-07-59

ORDER NO. 3

## ORDER GRANTING MOTION FOR EXPEDITED CONSIDERATION, GRANTING MOTION FOR EXTENSION OF TIME FOR COMPLIANCE FILINGS AND EXTENDING STATUTORY TIMELINE

BY THE COMMISSION:

#### Summary

We grant the motion for expedited consideration and motion for extension of time filed by Arctic Slope Telephone Association Cooperative, Inc. (ASTAC) and its wholly owned subsidiary ASTAC Wireless LLC (ASTAC-W). To accommodate the parties' requested filing date and with the parties' consent, we extend the statutory timeline for a final decision in this docket to January 31, 2008.

U-07-59(3) - (11/28/2007) Page 1 of 4

#### Background

We approved, subject to conditions, ASTAC-W's designation as an eligible telecommunications carrier (ETC) and required filings.<sup>1</sup> ASTAC and ASTAC-W filed a motion for an extension of the compliance filing deadline and requested expedited consideration of the motion.<sup>2</sup> ASTAC and ASTAC-W filed their consent for an extension of the deadline for issuance of a final order in this proceeding.<sup>3</sup>

#### **Discussion**

We required ASTAC and ASTAC-W to file verification of the transfer of ASTAC's wireless license, assets and customer service obligations to ASTAC-W; and required affirmation by ASTAC-W of the commitments made on its behalf by ASTAC. Our approval of ASTAC-W's ETC designation was expressly conditioned on receipt of these compliance filings. We stated that failure to file could result in denial of the application.

ASTAC states that it is unable to complete the steps necessary to transfer its cellular division to ASTAC-W by the November 30, 2007, compliance filing deadline.<sup>4</sup> The steps that must take place, as identified in the motion for extension, include: the formation of ASTAC-W must be completed; an application to transfer ASTAC's cellular

<sup>&</sup>lt;sup>1</sup>Order U-07-59(2), Order Approving Application, Subject to Conditions; Requiring Filing; and Establishing Obligations, dated November 19, 2007.

<sup>&</sup>lt;sup>2</sup>Motion for Extension of Time to File Affirmation and Joint Certification of Arctic Slope Telephone Association Cooperative, Inc. and ASTAC Wireless, LLC, filed November 21, 2007 (Motion for Extension); Motion for Expedited Consideration of Motion for Extension of Time to File Affirmation and Joint Certification of Arctic Slope Telephone Association Cooperative, Inc. and ASTAC Wireless, LLC, filed November 21, 2007.

<sup>&</sup>lt;sup>3</sup>Notice of Waiver of Statutory Timeline for Issuance of Final Orders, filed November 21, 2007.

<sup>&</sup>lt;sup>4</sup>Motion for Extension at 3.

license must be prepared; submitted and approved by the FCC; the list of hard assets ASTAC will transfer to ASTAC-W needs to be finalized and the list needs approval by ASTAC's lender; the list of customers ASTAC will transfer to ASTAC-W needs to be finalized; an assignment and assumption agreement regarding the assets and customers needs to be prepared and executed; the agreement to provide management, technical and other support services to ASTAC-W needs to be prepared and executed; an interconnection agreement between ASTAC and ASTAC-W needs to be prepared and refined; and the accounting information necessary to properly account for the transfer of cellular assets, revenues and expenses needs to be prepared and refined.<sup>5</sup>

We find that ASTAC and its wholly owned subsidiary ASTAC-W have shown cause that an extension of the compliance filing deadline is warranted. Further, in light of the imminent compliance filing deadline, and the consequences of denial if the filing deadline is not met, we find that expedited treatment of the motion for extension is justified. Accordingly, we grant the motion for extension and issue this ruling on an expedited basis.

The extension requested by ASTAC and ASTAC-W places the compliance filing deadline after the final order deadline set in this docket. ASTAC and ASTAC-W consent to extend the final order deadline for a time corresponding to the extension requested under the motion for extension. Accordingly, to accommodate the parties' filing deadline, we extend the deadline for issuance of a final order in this docket.

<sup>&</sup>lt;sup>5</sup>Motion for Extension at 3-4.

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#### **ORDER**

#### THE COMMISSION THEREFORE ORDERS:

- 1. The Motion for Expedited Consideration of Motion for Extension of Time to File Affirmation and Joint Certification of Arctic Slope Telephone Association Cooperative, Inc. and ASTAC Wireless, LLC, filed November 21, 2007, is granted.
- 2. The Motion for Extension of Time to File Affirmation and Joint Certification of Arctic Slope Telephone Association Cooperative, Inc. and ASTAC Wireless, LLC, filed November 21, 2007, is granted.
- 3. By 4 p.m., December 31, 2007, ASTAC Wireless LLC and Arctic Slope Telephone Association Cooperative, Inc. shall jointly file verification that Arctic Slope Telephone Association Cooperative, Inc.'s wireless license, assets, and customer service obligations have been transferred to ASTAC Wireless LLC.
- 4. By 4 p.m., December 31, 2007, ASTAC Wireless shall affirm the commitments made on its behalf by Arctic Slope Telephone Association Cooperative, Inc.
- 5. With the consent of all parties, the deadline for issuance of a final order in this docket is extended to January 31, 2008.

DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of November, 2007.

BY DIRECTION OF THE COMMISSION (Commissioners Dave Harbour and Anthony A. Price, not participating.)



U-07-59(3) - (11/28/2007) Page 4 of 4

Regulatory Commission of Alaska 701 West Eighth Avenue, Suite 300 Anchorage, Alaska 99501 (907) 276-6222; TTY (907) 276-4533

#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

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Anthony A. Price, Chairman

Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson

In the Matter of the Application Filed by) CORDOVA TELEPHONE COOPERATIVE, INC. ) to Amend Certificate of Public Convenience and ) Necessity to Expand Its Service Area

U-07-37

ORDER NO. 3

In the Matter of the Application Filed by COPPER VALLEY TELEPHONE COOPERATIVE, INC. for S Amendment to Certificate of Convenience and Necessity No. 11 to Provide

U-07-120

Local Exchange Telephone Service to Areas in Prince William Sound

ORDER NO. 2

BY THE COMMISSION:

#### Summary

ORDER AFFIRMING ELECTRONIC RULING, GRANTING EXTENSION OF STATUTORY TIMELINE, AND ESTABLISHING PROCEDURAL SCHEDULE

We affirm an electronic ruling consolidating these dockets. We grant an extension of the statutory timeline for a final order. We establish a procedural schedule.

#### Background

Cordova Telephone Cooperative, Inc. (CTCI) filed an application to amend its certificate of public convenience and necessity (certificate) to expand its service area.1 Copper Valley Telephone Cooperative, Inc. (CVTC) subsequently filed an

U-07-37(3)/U-07-120(2) - (12/04/2007) Page 1 of 5

<sup>&</sup>lt;sup>1</sup>Application for New or Amended Certificate of Public Convenience and Necessity, filed March 12, 2007.

application to amend its certificate to expand its service area to provide local exchange telephone service in the same areas.<sup>2</sup> CVTC moved for consolidation of the two dockets.<sup>3</sup> We granted CVTC's motion to consolidate the two dockets<sup>4</sup> because they are in part mutually exclusive dockets and therefore must be examined on a comparative basis.<sup>5</sup> This order affirms that electronic ruling.

We scheduled a hearing for the combined dockets for November 28, 2007. CVTC filed a motion to extend the statutory deadline for a final decision by ninety days, accompanied by a motion for expedited consideration. CTCI and CVTC agreed to an alternative hearing time that required an extension of the statutory deadline for a final order and submitted consents to a ninety-day extension of the statutory deadline. On the basis of these filings, we vacated the hearing scheduled for November 28, 2007.

<sup>&</sup>lt;sup>2</sup>Copper Valley Telephone Cooperative, Inc.'s Application to Amend Its Certificate of Public Convenience and Necessity No. 11, filed September 21, 2007.

<sup>&</sup>lt;sup>3</sup>Motion for Consolidation of Certificate of Public Convenience and Necessity Amendment Dockets, filed October 9, 2007.

<sup>&</sup>lt;sup>4</sup>The parties were notified electronically on November 21, 2007.

<sup>&</sup>lt;sup>5</sup>The parties were notified electronically on November 21, 2007.

<sup>&</sup>lt;sup>6</sup>Motion to Extend the Statutory Period for Entering a Final Order, Postpone Public Hearing and Schedule Prehearing Conference (CVTC Motion), and Motion for Expedited Consideration of Motion to Extend the Statutory Period for Entering a Final Order, Postpone Public Hearing and Schedule Prehearing Conference Pursuant to 3 AAC 48.091(6), both filed November 23, 2007.

<sup>&</sup>lt;sup>7</sup>E-mails from J. Moran and from M. Figura dated November 25, 2007.

<sup>&</sup>lt;sup>8</sup>E-mail from M. Figura, filed November 26, 2007; and letter from J. Moran, filed November 28, 2007.

<sup>&</sup>lt;sup>9</sup>The parties were notified electronically on November 27, 2007.

Subsequent to a scheduling conference held on November 30, 2007, with the administrative law judge, CTCI and CVTC submitted consents to extend the statutory deadline to March 19, 2008. 10

#### Discussion

#### **Decision Timeline**

Under AS 42.05.175(f) we may extend the statutory deadline for a final order in a docket "if all parties of record consent to the extension." The parties of record, CTCI and CVTC, consented to an extension of time until March 19, 2008, the statutory deadline we originally established for Docket U-07-120 before its consolidation with Docket U-07-37.<sup>11</sup>

The extension may allow the parties a better opportunity to prepare and present evidence to us on the contested fact issues, and allow an opportunity for possible participation by other entities as intervenors. Therefore, with the consent of the parties to the combined docket, we extend the statutory deadline for a final order to March 19, 2008. As a consequence of this decision, the CVTC Motion is moot.

#### Procedural Schedule

At a prehearing conference held on November 30, 2007, the parties stipulated to a procedural schedule, which we adopt.

<sup>&</sup>lt;sup>10</sup>E-mails from J. Moran and from M. Figura, filed November 30, 2007.

<sup>&</sup>lt;sup>11</sup>We note that under AS 42.05.175(k) the statutory deadline for a final order in consolidated dockets is the later of the two deadlines for the individual dockets. Since this statute did not take effect until October 1, 2007, it may not apply to these two dockets which were both filed before that time.

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Anchorage, Alaska 99501

Regulatory Commission of Alaska 701 West Eighth Avenue, Suite 300

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#### **ORDER**

#### THE COMMISSION THEREFORE ORDERS:

- 1. The electronic ruling issued November 21, 2007, by the administrative law judge consolidating Dockets U-07-37 and U-07-120 is affirmed.
- 2. The statutory deadline for a final order, with the parties consent, in the combined dockets is extended to March 19, 2008.
  - 3. The following agreed upon procedural schedule is adopted.

a.	4 p.m.	December 14, 2007	Cordova Telephone Cooperative, Inc. and Copper Valley Telephone Cooperative, Inc. shall file direct testimony.
b.	4 p.m.	December 19, 2007	Last day to submit discovery requests related to direct testimony.
c.	4 p.m.	December 28, 2007	Responses to discovery requests are due.
d.	4 p.m.	January 4, 2008	Deadline for filing dispositive motions.
e.	4 p.m.	January 11, 2008	Cordova Telephone Cooperative, Inc. and Copper Valley Telephone Cooperative, Inc. shall file responsive testimony.
f.	4 p.m.	January 14, 2008	Cordova Telephone Cooperative, Inc. and Copper Valley Telephone Cooperative, Inc. shall submit prehearing briefs.
g.	4 p.m.	January 22, 2008	A public hearing <sup>12</sup> shall convene in the East Hearing Room of the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska, and continue thereafter, as necessary, through January 23, 2008.

<sup>12</sup>If you are a person with a disability who may need a special accommodation, auxiliary aid or service, or alternative communication format in order to participate in the hearing. please contact Jovce McGowan at 1-907-276-6222. toll free 1-800-390-2782, or at 1-907-276-4533, TTY or via electronic mail to rca.mail@alaska.gov at least three business days before the hearing to make the necessary arrangements.

Any party wishing to appear telephonically at the hearing conference must advise us, in writing before the hearing conference to make the necessary arrangements and provide a telephone number where it may be reached for that appearance

4. The Motion to Extend the Statutory Period for Entering a Final Order, Postpone Public Hearing and Schedule Prehearing Conference filed by Copper Valley Telephone Cooperative, Inc. on November 23, 2007, is moot.

DATED AND EFFECTIVE at Anchorage, Alaska, this 4th day of December, 2007.

BY DIRECTION OF THE COMMISSION (Commissioners Anthony A. Price and Dave Harbour, not participating.)

(SEAL)

U-07-37(3)/U-07-120(2) - (12/04/2007) Page 5 of 5

#### STATE OF ALASKA

#### THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

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Anthony A. Price, Chairman Kate Giard Dave Harbour Mark K. Johnson Janis W. Wilson

In the Matter of the Consideration of Regulations for Optional Simplified Pipeline Tariff Procedures for Designated Pipeline Facilities

R-05-11

ORDER NO. 10

### ORDER INVITING COMMENT, CORRECTING ORDER R-05-11(3), AND CLARIFYING TIMELINE FOR COMPLETION OF PROCEEDING

BY THE COMMISSION:

#### Summary

We correct a statement in Order R-05-11(3) which indicates the timeline provisions of AS 42.05.175 apply in this regulations docket, and state the date by which we intend to conclude this docket. We invite public comment on regulations providing for simplified pipeline tariffs.

#### Background

#### Proposed Regulations Incorporating a Simplified Pipeline Tariff Filing Process

We opened this docket to consider establishing two or more classes of pipelines under AS 42.06 and decreasing regulatory oversight for the smaller class of pipelines. We held a public hearing, allowed interested persons to file proposed

R-05-11(10) - (11/30/07) Page 1 of 6

regulations, and invited comments on those proposals.<sup>1</sup> Order R-05-11(3) scheduled a public workshop to consider the proposed regulations and comments on the proposal, and appointed an administrative law judge to facilitate the workshop and file a single set of draft regulations. The facilitator conducted public workshops from January 30 through March 9, 2007,<sup>2</sup> and filed a report and proposed regulations ("consensus regulations proposal") on March 29, 2007.<sup>3</sup>

Staff noticed several drafting deficiencies while reviewing the proposed regulations.<sup>4</sup> At our April 25, 2007, public meeting, we voted to revise the proposed regulations to comply with regulations drafting requirements and scheduled a workshop for participants in the consensus regulations proposal to review revisions to the proposed regulations and respond to Staff questions regarding the proposal. A public workshop to discuss proposed revisions to consensus draft regulations convened on August 16, 2007, and continued on August 29, September 21, and October 30, 2007.<sup>5</sup> Correction of Order R-05-11

We previously indicated a final decision must be issued in this docket no later than December 3, 2007.<sup>6</sup> After receiving advice from counsel that the

<sup>&</sup>lt;sup>1</sup>BP Pipelines (Alaska) Inc. and BP Transportation (Alaska) Inc. (BPPA/BPTA), Marathon Oil Company (Marathon), Tesoro Alaska Company (Tesoro), and Union Oil Company of California (Union) participated at the June 13, 2006 public hearing.

<sup>&</sup>lt;sup>2</sup>BPPA/BPTA, Marathon, Tesoro, and Union, and the Alaska Department of Law's Oil and Gas Section (State) participated at these public workshops.

<sup>&</sup>lt;sup>3</sup>Facilitator's Report Pursuant to Order No. 5, dated March 29, 2007.

<sup>&</sup>lt;sup>4</sup>Proposed regulations are required to be drafted in compliance with the State of Alaska, Department of Law's *Drafting Manual for Administrative Regulations*, 17th edition, September 2007 (Drafting Manual).

<sup>&</sup>lt;sup>5</sup>BPPA/BPTA, Marathon, the North Slope Borough d/b/a Nuiqsut Natural Gas Pipeline (NNGP), Tesoro, and Union participated in the workshop.

<sup>&</sup>lt;sup>6</sup>Order R-05-11(3) at 3.

AS 42.05.175(e) timeline does not apply in this proceeding which exclusively affects pipelines operating and regulated under AS 42.06, we invited comment on whether the AS 42.05.175(e) timeline applies to this docket.<sup>7</sup> Tesoro was the only entity to comment on this issue.<sup>8</sup>

#### **Discussion**

#### Issuance of Final Order

A previous order issued in this docket stated "[w]e are required by AS 42.05.175 to issue a final decision in a rulemaking proceeding not later than 24 months after the order initiating the proceeding is issued." The timeline provisions in AS 42.05 require a final order in a rule-making proceeding no later than 730 days after we initiate the rule-making proceeding. There are no comparable timelines under AS 42.06.

In Order R-05-11(9) we noted that we derive our regulatory authority from our enabling statutes, which are located in three separate chapters of Title 42 of the Alaska statutes - AS 42.04 (*Regulatory Commission of Alaska*), AS 42.05 (*Alaska Public Utilities Regulatory Act*), and AS 42.06 (*Pipeline Act*). We posed the question of whether AS 42.05.175(e) timelines apply to regulations promulgated under AS 42.06 to our agency counsel at our October 15, 2007 public meeting.<sup>11</sup> Counsel advised us that

<sup>&</sup>lt;sup>7</sup>See Order R-05-11(9), dated October 22, 2007.

<sup>&</sup>lt;sup>8</sup>Tesoro Alaska Company's Comments on Timeline Issue (Tesoro) filed October 29, 2007.

<sup>&</sup>lt;sup>9</sup>Order R-05-11(3) at 3. AS 42.05.175(e) was subsequently revised to require final decision in a rulemaking proceeding no later than 730 days after issuance of the order initiating the proceeding.

<sup>&</sup>lt;sup>10</sup>AS 42.05.175(e).

<sup>&</sup>lt;sup>11</sup>Transcript at 122-123.

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There are reasons that we will not follow Tesoro's recommendation in this docket nor adopt a policy of establishing timelines for AS 42.06 regulations on the same basis as the timelines for AS 42.05 matters. In this docket we chose a more participatory method, a modified negotiated rulemaking process. We hired a mediator who worked independently with industry participants and the State of Alaska representatives to negotiate among themselves the best version of the regulations to bring forward. This process is far more time consuming. Upon receipt of the draft regulations, we noted the need to work with industry to conform the regulations to our standards. Although we have the statutory authority to make unilateral changes to the R-05-11 work product, we held several work sessions with industry to ensure that conforming these regulations did not undo any of the positive results of their efforts. While it is possible that this new method of developing regulations for pipelines may be performed within the timeframes of AS 42.05.175, it is critically important to maintain a level of flexibility for pipeline dockets which the current AS 42.05 statutes do not afford. Therefore, we do not adopt Tesoro's recommendation that we establish a policy mirroring AS 42.05 timelines in pipeline regulation dockets.

We do believe that deadlines improve regulatory certainty and we will continue in pipeline regulations dockets to establish reasonable timeframes for the

<sup>&</sup>lt;sup>12</sup>Transcript at 123.

<sup>&</sup>lt;sup>13</sup> See Tesoro, at 2.

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completion of a docket. In this matter, we have completed our work sessions with industry and have made changes to the work product presented to us. It is appropriate to circulate these revised draft regulations for additional comment, and therefore modify our timeline to complete this docket to allow public comment. We believe a 90-day period, which mimics the one-time 90-day extension allowed under AS 42.05.175(f), is adequate for comment and our final decision on these regulations. Therefore, we intend to issue a final decision in this docket before March 1, 2008.

We conclude that the application of the AS 42.05.175(e) timeline in Order R-05-11(3) was erroneous and timeline stated in that order does not apply to this proceeding.

#### Proposed Regulations Incorporating a Simplified Pipeline Tariff Filing Process

Workshop participants completed review of proposed revisions to the consensus regulations proposal, working with our Staff to ensure proposed regulations comply with regulations drafting requirements while also reflecting the intent of the participants. We are prepared to solicit public comment on this consensus proposal regarding simplified tariff filing procedures.

We invite comment on the proposed regulations attached to this order as an appendix. Interested persons may comment in response to this order by December 31, 2007. All comments and reply comments should reference Docket R-05-11. Because this is a rulemaking proceeding, commenters are not required to serve their comments on the other entities set out on the service list of this order. We will copies of filed comments web site post on our at http://rca.alaska.gov/RCAWeb/home.aspx.

R-05-11(10) - (11/30/07)

Page 5 of 6

During the workshop process, our Staff noted the absence of definitions for certain terms contained in the regulations (e.g., "common carriage", 14 "fully funds", 15 "prorated service", 16 and "rolled in rate basis" 17). In addition to commenting on the proposed regulations, commenters should address whether definitions are appropriate for certain terms contained in the proposed regulations.

#### **ORDER**

THE COMMISSION FURTHER ORDERS that by 4 p.m., December 31, 2007, any interested person may file comments in response to this order. Commenters are requested to reference Docket R-05-11.18

DATED AND EFFECTIVE at Anchorage, Alaska this 30<sup>th</sup> day of November, 2007.



BY DIRECTION OF THE COMMISSION (Commissioner Dave Harbour, not participating)

- <sup>14</sup>See proposed 3 AAC 48.462(a)(4).
- <sup>15</sup>See proposed 3 AAC 48.462(b)(4).
- <sup>16</sup>See proposed 3 AAC 48.462(b)(5).
- <sup>17</sup>See proposed 3 AAC 48.462(b)(4).

<sup>18</sup>If you are not interested in receiving future orders or notices concerning this subject matter, please e-mail rca\_mail@alaska.gov or notify our office by mail or at 1-907-276-6222 and we will take your name off our mailing list.

If you are a person with a disability who may need a special accommodation, auxiliary aid or service, or alternative communication format in order to participate in this process, please contact Joyce McGowan at 1-907-276-6222, 1-800-390-2782, or TTY 1-907-276-4533, at least three days in advance, to make the necessary arrangements for submitting comments.

R-05-11(10) - (11/30/07) Page 6 of 6